

A. ESTABLISHMENT OF QUORUM AND ROLL CALL

The regular meeting of the Board of Agriculture & Conservation (BAC) was held April 27, 2017 at the Division of Agriculture conference room, 1800 Glenn Highway, St.12, Palmer, Alaska. Chair Ben VanderWeele called the meeting to order at 1:00 p.m.

Board members present and establishing a quorum were:

Mr. Ben VanderWeele, Chair
Mr. John Schirack, Vice Chair
Mr. Chris Flickinger, Board member (telephone)
Ms. Deidre Berberich, Board member
Ms. Roxy Marcy, Board member (telephone)

Board member absent: Mr. Troy Shelden

Board member absent: Mr. Jason Smith

Staff in attendance was:

Mr. Arthur Keyes, Director
Ms. Elizabeth Bluemink, Special Assistant, DNR
Ms. Lora Haralson, Administrative Officer I
Ms. Joan Wilson, AAG, Dept. of Law
Ms. Amanda Swanson, ARLF Loan Officer
Ms. Olga Lotosh, ARLF Accountant
Mr. Erik Johnson, Natural Resource Specialist II
Ms. Johanna Herron, Development Specialist II (Option B)

Public in attendance were:

Todd Pettit (telephone)
Wayne & Veronica Brost

B. APPROVAL OF AGENDA

MOTION: Board member Flickinger moved to approve the agenda.

SECOND: Board member Berberich seconded the motion.

No objections were received.

The agenda was approved.

C. PUBLIC COMMENTS/SESSION

Wayne Brost stated the Trytten land sale by the borough will be held in May 2017 with a minimum bid is set at \$650,000 and is 300 acres that will be sold. If the property is not sold it will be offered Over the Counter. He also stated he has paid his current ARLF loan off.

D. MINUTES OF PRECEDING MEETINGS

February 23, 2017 Draft Meeting Minutes

MOTION: Board member Berberich moved to approve the minutes of February 23, 2017.

SECOND Vice Chair Schirack seconded the motion.

VOTE: The motion passed without objection.

E. CONFLICT OF INTEREST DISCLOSURES

Chair VanderWeele stated now is the time for conflict disclosures. You have the agenda outlining pending business and we will be going into executive session later to address loan requests. Does any member have a conflict to disclose relating to any business before the board?

(No disclosures were stated).

F. REPORTS/CORRESPONDENCE

Director's Report

1. Director Update/April Newsletter

- Mt. McKinley Meat & Sausage will be sold by mid- May.
- The Plant Materials Center seed sale and seed potatoes are being sold and planted now they are working with Oregon State.
- The Prop 90 Goat issue is ongoing and the Division is monitoring it.
- The Division has launched a new "Buy Alaska Grown" website.
- The Anchorage school district will be considering buying Alaska Grown produce.
- The Division will start a five dollar five-month program soon and has the support from Governor.

Legislative Bills

- HB: 197 Community Seed Libraries.
- HB 19: An Act limiting the application of neonicotinoid pesticides.
- HB 46: An Act relating to the state and municipal procurement preferences for agricultural products harvested in the state and fisheries products harvested or processed in the state; relating to merchandise

sold and certain fees charged or collected by the Department of Natural Resources; and providing for an effective date

- HB 63: An Act Transferring Duties Among Department in the Executive Branch of State Government, Relating To Duties of Departments and Commissioners in the Executive Branch; Relating to State Boards and Commissions; and Providing an Effective Date.
- HB 172: Industrial Hemp Production Licenses.
- SB6: An Act Relating to the Regulation and Production of Industrial Hemp: Relating to Industrial Hemp Pilot Programs; And Relating to Controlled Substances.
- HB 177: An Act relating to the response to, and control of, aquatic invasive species; establishing the aquatic invasive species response fund; and relating to the provision of information about aquatic invasive species to users of the Alaska marine highway system.
- HB 217: Raw Milk Sales, Food Exempt from Regulations.
- HB 218: State Veterinarian

The Board held a discussion regarding HEMP production.

Loan Officer Swanson:

2. ARLF Interest Rates

The interest rates were reviewed.

3. Applications in Process

The applications in process were presented.

4. Asset Report

The April 2017 asset report was reviewed.

ARLF Accountant Lotosh:

5. March 2017 Financial Reports

The March 2017 financial reports were reviewed.

AAG Wilson:

6. Public Session Report

The public session report was presented.

MOTION: Vice Chair Schirack moved to go into Executive Session.

SECOND: Board member Berberich seconded the motion.

VOTE: The motion passed without objection.

G. EXECUTIVE SESSION

The Executive Session for the Brost – S Loan, Van Wyhe – P Loan, Bates F, S and C Loans, Wrigley Farms, LLC – S Loan, AAG Executive Session Report and the ARLF Aging Report/Delinquency Report included Chair Ben VanderWeele, Vice Chair Schirack, Chris Flickinger (telephone), Board member Roxy Marcy (telephone), Board member Deidre Berberich, AAG Joan Wilson, Director Arthur Keyes, ARLF Loan Officer Amanda Swanson and Administrative Officer Lora Haralson.

PUBLIC SESSION

7. Brost Short-Term Loan Approved

MOTION: Vice Chair Schirack moved to approve the Wayne & Veronica Brost – S loan as recommended by the loan officer:

1. \$100,000.00 @ 3.00% payable by one annual payment due one year from date of loan closing.
2. Secured by UCC Financing Statement on Equipment.
3. Property Insurance with ARLF as Loss Payee.

SECOND Board member Flickinger seconded the motion.

VOTE: The motion passed with five yes votes. Board member Flickinger (telephone) voted yes, Board member Berberich voted yes, Board member Marcy (telephone) voted yes, Vice Chair Schirack voted yes and Chair VanderWeele voted yes.

8. Van Wyhe Processing Loan Approved

MOTION: Board member Marcy moved to approve the Terry and Tamara Van Wyhe – P Loan as recommended by the loan officer:

1. \$200,000.00 @ 4.50% payable by monthly payments beginning July 1st, 2017 over a 30-year term.
2. Secured by Deed of Trust on subject property.
3. Standard Lenders Title Insurance.
4. Property insurance with ARLF as mortgagee & loss payee.

SECOND Board member Flickinger seconded the motion.

VOTE: The motion passed with five yes votes. Board member Flickinger (telephone) voted yes, Board member Berberich voted yes, Board member Marcy (telephone) voted yes, Vice Chair Schirack voted yes and Chair VanderWeele voted yes.

9. Bates Developmental Loan Approved

- MOTION:** Board member Berberich moved to approve the Tangy & Matthew Bates – F loan as recommended by the loan officer:
1. \$132,000.00 @ 4.50% payable by quarterly payments beginning September 2017 over a 30 year term.
 2. Secured by Deed of Trust.
 3. Standard Lender’s Title Insurance.
 4. Property insurance with ARLF as mortgagee & loss payee.

SECOND Vice Chair Schirack seconded the motion.

VOTE: The motion passed with five yes votes. Board member Flickinger (telephone) voted yes, Board member Berberich voted yes, Board member Marcy (telephone) voted yes, Vice Chair Schirack voted yes and Chair VanderWeele voted yes.

9. Bates Short-term Loan Approved

- MOTION:** Board member Berberich moved to approve the Tangy & Matthew Bates – S loan as recommended by the loan officer:
1. \$50,000.00 @ 3.00% payable by quarterly payments beginning September 2017 over a one year term.
 2. Secured by UCC Financing Statement.
 3. Property insurance with ARLF as loss payee.

SECOND Vice Chair Schirack seconded the motion.

VOTE: The motion passed with five yes votes. Board member Flickinger (telephone) voted yes, Board member Berberich voted yes, Board member Marcy (telephone) voted yes, Vice Chair Schirack voted yes and Chair VanderWeele voted yes.

9. Bates Chattel Loan Declined

MOTION: Board member Berberich moved to deny the Tangy & Matthew Bates – C loan due to concerns of their accelerated debt level.

SECOND Vice Chair Schirack seconded the motion.

VOTE: The motion passed with five yes votes. Board member Flickinger (telephone) voted yes, Board member Berberich voted yes, Board member Marcy (telephone) voted yes, Vice Chair Schirack voted yes and Chair VanderWeele voted yes.

10. Wrigley Farms, LLC Short-term Loan Approved

- MOTION:** Board member Berberich moved to approve the Wrigley Farms, LLC – S loan as recommended by the loan officer:
1. \$40,000.00 @ 3.00% payable by monthly payments beginning July, 2017 over a one year term.
 2. Secured by UCC Financing Statement.
 3. Property insurance with ARLF as loss payee.

4. Personal Guarantee from Bryce Wrigley, Member & Manager
5. Personal Guarantee from Jan Wrigley, Member

SECOND VOTE: Board member Flickinger seconded the motion. The motion passed with five yes votes. Board member Flickinger (telephone) voted yes, Board member Berberich voted yes, Board member Marcy (telephone) voted yes, Vice Chair Schirack voted yes and Chair VanderWeele voted yes.

H. NEW/OLD BUSINESS
(There was no new/old business).

I. BOARD MEMBER COMMENTS:

J. SET NEXT MEETING & AGENDA ITEMS:
The next meeting will be a teleconference and held at 8:00 a.m. on Thursday May 18, 2017.

K. ADJOURNMENT:
The meeting was adjourned at 2:54 p.m.